

# Financial picture still healthy, say municipal officials

The Canadian Champion, Friday, November 23, 1990

from TOWN on page 1  
Derry Road. In 1991 the section between Childs Drive and Laurier Avenue will be widened and improved.

The provincial government funds a substantial portion of the whole venture because Ontario Street is viewed as a so-called "connecting link" between two provincial highways.

In all, councillors approved 24 projects, ranging in scope and price from the hefty duo already mentioned to \$6,500 for new library shelves.

## \$4 million in subsidies

The actual budgeted total for those projects is \$9,581,425, of which \$9,343,825 will be spent on facilities and buildings, while \$237,600 will be used to buy some new pieces of equipment, such as road and park maintenance devices.

Of the \$9,581,425, the Town expects provincial subsidies amounting to \$4,280,155 one way or another.

Based on past experience, most of that is fairly realistic, although one potential government handout of \$275,000 could be a risky bet in that Milton has never applied for that particular type of grant before. It's a community improvement donation to spruce up the Mill Pond, available under a program created by the

former Liberal government. The new NDP government, at least to date, appears willing to continue with it.

But, one way or another, the taxpayers are on the hook for the remaining \$5,301,270 through their property taxes. A large part of the funding is gleaned immediately from property taxes, a portion is taken from reserve funds built up by those taxes, and the remainder will come from debenture funding, with the debentures eventually paid off by property taxes.

The capital budget represents less than half the funding necessary to run municipal government. The other shoe drops when the operating budget is adopted, sometime early in the new year.

The operating budget, estimated for 1991 at approximately \$14 million, is the fund which runs the day-to-day business of government, paying employees, for example. Town councillors have publicly committed to an increase of at most seven per cent in operating expenses.

As for the capital budget, senior municipal staff presented it to councillors as a reasoned and realistic approach to community development, one that is well within Milton's financial means.

Town administrator Roy Main said

the 24 approved projects represented a more than respectable agenda. "You don't see too many municipalities being that aggressive."

Town finance director Jim McQueen concurred. "This is an ambitious budget, more than we thought we could recommend."

## Reserve funds

In order to accommodate the work, the Town has drawn down its reserve funds substantially, "by about \$2 million," Mr. McQueen noted.

The exact amount being spent out of reserve funds is \$2,291,170 for capital projects. But that still leaves almost \$2,687,000 in reserve accounts. And, as Mr. McQueen pointed out Tuesday night, in 1990 Milton's reserve funds had been built to their highest-ever balances.

Milton went to the debenture market for the first time in more than a decade last year to help ease the short-term pain of payment for the new recreational centre. In 1991 the Town expects to pick up roughly another \$1 million in debt financing by selling debentures.

However, Milton's position with regard to debt servicing is still enviable relative to other centres, including surrounding Halton boom communities such as Oakville and Bur-

lington.

According to provincial guidelines, municipal governments shouldn't carry an amount equal to more than 20 per cent of gross expenditures as debt. Milton will only be at 3.3 per cent in 1991, and is not expected to go beyond 5.2 per cent through the next decade.

Since a debenture is a financial instrument through which the seller agrees to pay guaranteed interest

over a period of time to the buyer in return for use of the buyer's money, interest rates are a critical concern in the transaction.

Mr. McQueen indicated he will delay assuming the new debt for as long as possible, perhaps until late 1992 for at least a portion of it, because of the downward trend in interest rates.

For a list of projects, turn to page 5


## Raking it in By your leave

Usually you don't like it when the neighbour's leaves end up on your property, but Halton Region has no complaints about accepting Mississauga's leaves.

Halton Region's planning and public works committee decided Wednesday they shouldn't stand in the way of Mississauga farmer David Pallett's plan to compost leaves for the city of Mississauga on a farm he rents at the corner of Trafalgar Road and Derry Road in Milton.

Up to 6,000 cubic metres of leaves are expected to be received each fall. The collection of leaves actually began last year with the operator unaware he needed regional and provincial approval.

Staff advised that the Region's planning guidelines "support this use. We recommend that the application be approved."



**The Corporation of the  
Town of Milton**

**NOTICE TO VEHICLE OWNERS  
BY-LAW 1984-1**

By-law 1984-1 prohibits parking on any Town street during the winter months from November 15 to April 15, between the hours of 2:00 a.m. and 7:00 a.m.

This By-law is intended to assist Town works crews in our effort to remove snow during the winter months. While this By-law is in effect, Halton Regional Police will take appropriate measures to assist us which can include Towing. Your cooperation is requested.

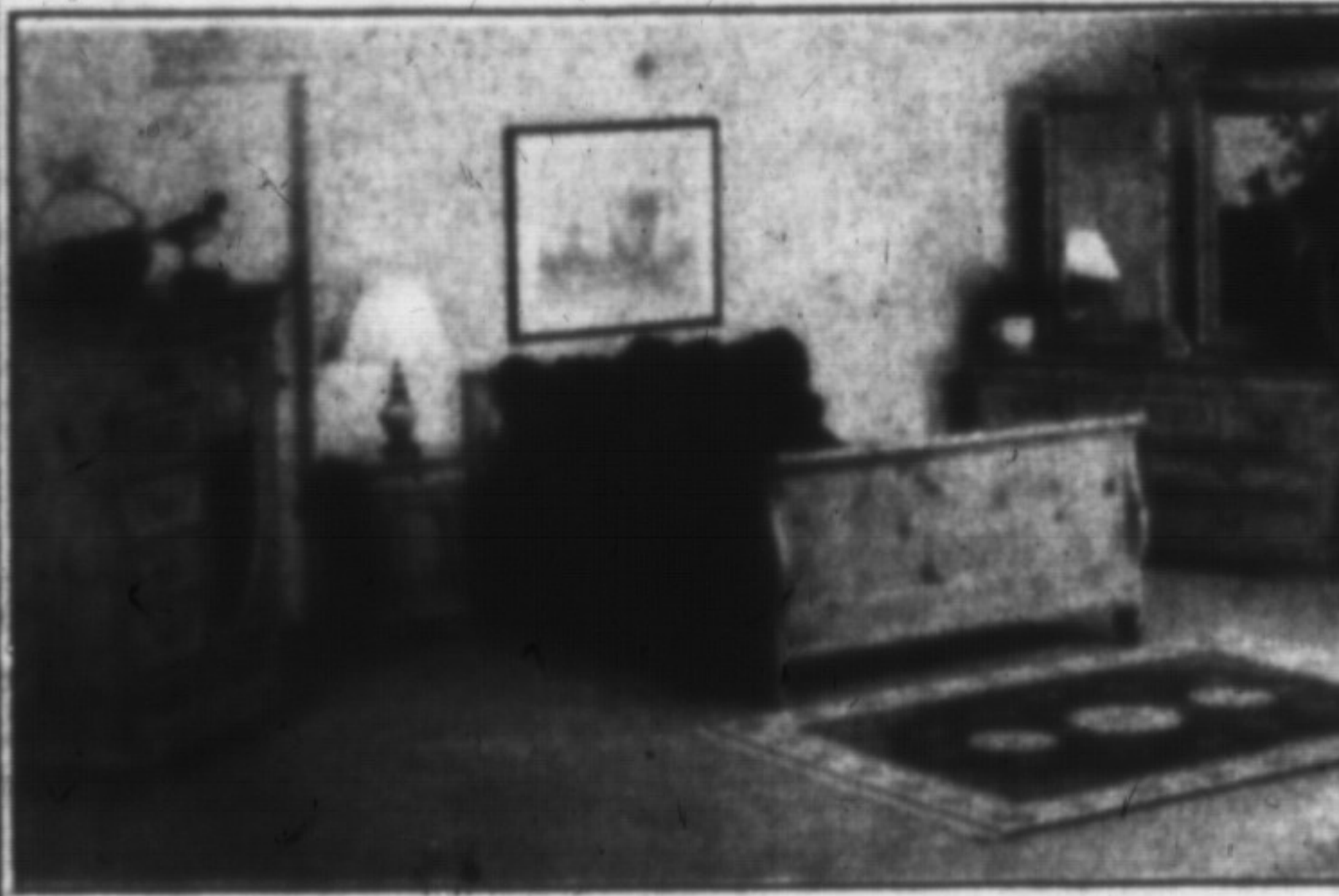
J.D. Matthews, P. Eng.,  
Director of Public Works  
Town of Milton

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